



**CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED**

**周生生集團國際有限公司\***

*(Incorporated in Bermuda with limited liability)*

**Stock code: 116**

**Chow Sang Sang announces 2022 Interim Results**

**Consolidated turnover from continuing operations for the first half of 2022 decreased by 7% to HK\$10,092 million**

**Net profit decreased by 12% to HK\$472 million**

[25 August 2022, Hong Kong] Chow Sang Sang Holdings International Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to announce its unaudited interim results for the six months ended 30 June 2022 (“the Period”).

Sales in Mainland China, Hong Kong and Macau performed well in the 2022 Chinese New Year period, but a new wave of outbreak followed, and stifled consumer spending. Additional sales from new stores partially offset the decline in SSSG brought about by the pandemic. Overall average international gold prices were on an upward trend in the first half of 2022 compared to the same period in 2021, resulting an apparent higher gross profit margin from sales of gold jewellery. The Group’s total jewellery and watch sales in the first half of 2022 fell 1% year-on-year. Profit attributable to owners of the Company decreased by 12% to HK\$472 million. Profit attributable to owners of the Company from continuing operations decreased by 10% to HK\$481 million.

The Board of Directors has declared an interim dividend of HK15.0 cents per ordinary share for the Period.

**Retail of Jewellery and Watches**

For Mainland China, large-scale crowd-control measures were implemented which seriously affected retail and logistics activities, especially in Eastern China. By June, with the gradual easing of the pandemic, sales began to record year-on-year growth. Gold jewellery sales remained solid under the pandemic. Stringent anti-epidemic measures in Mainland China hindered the supply, thus stifling the sales of Rolex and Tudor watches. The impact of the pandemic was partially offset by increased revenue from new store openings giving rise to approximately the same level of sales in the first six-month periods in 2021 and 2022. Segment results were down 14% year-on-year. Overall SSSG for the Period fell 9%.

In Hong Kong and Macau, following the outbreak of the fifth wave of pandemic after Chinese New Year, retail environment dramatically worsened. Since early April, the gradual relaxation of social distance control, coupled with the overall retail spending sentiment driven by consumption vouchers, led to a significant rebound in jewellery sales in Hong Kong, but the Macau business was hit by repeated pandemic outbreaks. Revenue declined by 5% year-on-year for the Period,

while segment results increased by 3%. Overall SSSG was -27% in the first quarter of 2022 and rebounded to +19% in the second quarter. Starting from April, demand for gold wedding and gifting products strengthened. SSSG of gold jewellery and products rebounded in the second quarter, recovering most of the ground lost in the first quarter. The sales of diamond wedding jewellery showed a good growth.

### **Store Network**

Total store number reached 905 as at 30 June 2022 with a net addition of 33 stores during the Period. Net changes in store number during the Period for Mainland China, Hong Kong, Macau and Taiwan region are +28, +1, +2 and +2 respectively.

In Mainland China, 生生·活字 (Oasis by Chow Sang Sang) remains a key driver in expanding our store network and enhancing our community coverage in Mainland China. The total number of 生生·活字 stores represented about 7% of all stores in Mainland China.

In Hong Kong and Macau, the Group have partnered with Victoria and Albert Museum in London to create the world's first V&A Chow Sang Sang jewellery concept stores: 1 at K11 MUSEA in Hong Kong and 1 at the Londoner in Macau.

### **Chow Sang Sang Omni-Channel Retailing**

The online sales maintained its growth momentum despite covid-19 disruptions. Online sales in Mainland China increased 24% while e-commerce sales in Hong Kong, Taiwan and other regions grew 72%. Continual growth has been achieved by channel expansion and exploring overseas markets through third-party e-commerce platforms and joint promotion with local partners.

### **Product and Marketing**

Gold is still the preferred jewellery choice among different product categories. The Group's "Cultural Blessings" collection of gold ornaments, which is inspired by traditional Chinese culture and mythology, maintained sales growth during the Period.

The Group strives to engage customers and enhance shopping experience through various pop-up stores, display points, wedding expos and online campaigns. Our culture-themed pop-up stores were well received by customers in Mainland China.

### **Outlook**

Sales were strong over June and July 2022 and there is momentum leading into the second half of 2022. The pandemic and global political instabilities still pose uncertainties for the business. Nevertheless, the Group would continue its long-term strategies, which include steady retail network expansion, leverage on Chow Sang Sang Omni-Channel Retailing, continuous product innovations and robust customer communication. For the year 2022, the Group expects the total number of net store additions will remain to be around 100.

*\*For identification purpose only*

*Remarks: Unless the context requires otherwise, capitalised terms used in this press release shall have the same meanings as those defined in the results announcement published on 25 August 2022.*

-End-

### **About Chow Sang Sang**

Chow Sang Sang, as a well-known jewellery retailer, has gained reputation of providing warm and earnest customer service and its insistence on product quality. Today, Chow Sang Sang operates more than 920 jewellery and watch stores in Greater China. Also, with its own eshop, and official stores in various online marketplaces, customers from over 40 destinations worldwide can now shop at Chow Sang Sang.

For more information about Chow Sang Sang, please visit [www.chowsangsang.com](http://www.chowsangsang.com).